

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Coop Sugar Factories - Working Capital requirements of Seven (7) Coop. Sugar Factories for the season 2011-2012 - Availing financial assistance for working capital from APCOB - Issue of Government Guarantee for an amount of Rs.180 Crores in favour of APCOB – Orders - Issued.

INDUSTRIES & COMMERCE (SUGAR) DEPARTMENT

G.O.Ms.No. 124

Dated:23-12-2011.

Read the following:-

1. G.O.Ms.No.1, Ind. & Com. (Sug.) Dept., dt.12.01.2011.
  2. From the Commissioner of Sugar & Cane Commissioner, Hyderabad Lr.Rc.No.2127/2011/D1, dt.08.11.2011.
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ORDER:

The Commissioner of Sugar & Cane Commissioner, Hyderabad in the reference 2<sup>nd</sup> read above has requested the Government to issue necessary orders extending un conditional irrevocable Government default Guarantee for both principal and interest, in favour of A.P. State Cooperative Bank Ltd (APCOB), Hyderabad for credit authorization for working capital finance (Sugar pledge loan) to **an extent of Rs.180.00 crores** in respect of the following 7 Coop. Sugar Factories which are having negative net worth to enable the Cooperative Sugar Factories to avail working capital loan including CC Hypothecation limit from Andhra Pradesh State Cooperative Bank Limited Bank for 2011-2012 season:

Sl. No.	Name of the Coop. Sugar Factory	Working capital loan sanctioned by APCOB (Rs in crores)
	<b>CSFs in negative net-worth</b>	
1.	Chittoor Coop. Sugars Ltd., Chittoor	35.00
2.	Sri Venkateswara Coop. Sugars Ltd., Renigunta	35.00
3.	Anakapalli V V Ramana C.S. Ltd., Thummapala	15.00
4.	Sri Vijayarama Gajapathi CSF, Bhimasinghi.	25.00
5	NVR & ADR Coop Sugars Ltd, Jampani.	10.00
6.	Kovur Coop. Sugars Ltd., Nellore	25.00
7.	Thandava Coop. Sugars Ltd., Payakaraopeta.	35.00
	<b>Total A:</b>	<b>180.00</b>

2. The Government, after careful consideration of the proposal, hereby order to extend un-conditional irrevocable Government default Guarantee in favour of APCOB, Hyderabad for credit authorization to the extent of **Rs.180.00 crores (Rupees One hundred and eighty Crores only)** for the season 2011-12 in respect of 7 Coop. Sugar Factories stated para **1** above which have negative net worth, so as to enable the Coop. Sugar Factories to avail working capital loan including CC hypothecation limits valid upto October, 2012 on sugar stocks and material from APCOB. The Managing Director, APCOB, Hyderabad is requested to sanction/release the amounts to the above mentioned seven (7) Cooperative Sugar Factories, for the amounts indicated against each.

3. Government liability will arise only after the Bank has exhausted / taken all steps to recover their dues, including disposal of assets, and only thereafter, approach the Government for the balance amount of default guarantee.

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4 The Managements of the Cooperative Sugar Factories shall pay Guarantee Commission @ ½% per annum before execution of Guarantee Deed, and also repay the loan amount, as per the terms and conditions of the APCOB, Hyderabad duly informing the APCOB that this guarantee is for principal amount only.

5 The Commissioner of Sugar and Cane Commissioner shall ensure that the Managements of the above Sugar Factories prudently manage their finances and repay loan obligations themselves. He shall monitor utilization of loan funds as well as all other funds, including the revenue generated from sale of sugar. He shall inform the actual amount released by the APCOB, Hyderabad to the aforesaid 7 (seven) Cooperative Sugar Factories, to execute default Guarantee by the State Government.

6 Separate Guarantee Deeds will be executed by the Secretary to Government, Finance Department, after the actual amounts are sanctioned by the APCOB, Hyderabad.

7. This order issues with the concurrence of Finance (Exp.I&C) Department vide their U.O.No.12035/397/DCM.II/11, dt.09.12.2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.S. APPA RAO  
PRINCIPAL SECRETARY TO GOVERNMENT &  
COMMISSIONER FOR INDUSTRIAL PROMOTION.

To

The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad.

The Managing Director, A.P. State Coop. Bank Ltd., Troop Bazar, Hyderabad-500 001.

The National Cooperative Development Corporation, New Delhi.

The Managing Directors concerned thro' Commissioner of Sugar & Cane Commissioner, Hyderabad.

**Copy to:**

The Accountant General, A.P., Hyderabad.

The Director of Treasuries & Accounts, Hyderabad.

The Finance (DMC) Dept.

The Finance (Exp.I&C) Dept.

The P.S. to Secretary to C.M.

The P.S. to Minister ( MI, Sugar)

The P.S. to Minister ( Finance)

// FORWARDED:: BY ORDER//

SECTION OFFICER